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C O N F I D E N T I A L SECTION 01 OF 04 KATHMANDU 002363

SIPDIS

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TAGS: [PTER](#) [PGOV](#) [NP](#)

SUBJECT: NEPAL: MAOISTS CHANGE TACTICS AND TARGETS

REF: A. (A) KATHMANDU 1979

[1](#)B. (B) KATHMANDU 2020

[1](#)C. (C) KATHMANDU 2266

[1](#)D. (D) KATHMANDU 2164

[1](#)E. (E) KATHMANDU 2340

Classified By: Ambassador Michael E. Malinowski for Reasons 1.5 (b,d).

[1](#)1. (C) Summary. Since 2002, improvements in the effectiveness of the Royal Nepal Army (RNA), among other reasons, have caused Nepal's Maoist insurgents to shift the focus of many of their operations from the hills to the lowland Terai. The Maoists' expansion into the Terai has enabled them to widen and deepen their extortion campaign and shorten supply lines from India. The insurgents also have limited the size of their attacks, targeting primarily small patrols and police posts, ambushing selected vehicles with IEDs, and assassinating individuals. The insurgents have restricted heavily the movement of local civilians and political party activists, putting a stranglehold on trade and commerce in the countryside. There are some signs of a possible disconnect between Maoist leadership and those in the field. Royal Nepal Army contacts believe the failure to launch major assaults reveals significant weaknesses within the Maoist military wing. The RNA will continue to control urban centers and prevent the Maoists from achieving large-scale successes. However, through guerrilla warfare tactics, the Maoists will continue to victimize all levels of Nepal society, from villagers to the elite in Kathmandu, while destroying infrastructure and restricting economic activity. End Summary.

MAOISTS EXTEND THEIR REACH INTO TERAJ LOWLANDS

[1](#)2. (C) The tactics used by Nepal's Maoist insurgents have changed significantly since 2002. At that time, the insurgents focused their attacks and strength in remote, impoverished mountainous areas, primarily in the mid- and far-west of the country. Today, however, the Maoists have extended their theater of influence into eastern Nepal and the lowlands, or Terai. There may be several reasons for the Maoists' expansion into the Terai. First, the Terai produces much of the wealth of the country, in agricultural production, industry and trade, enabling the insurgents to extort more money to finance their military operations. Second, the increased scope of Maoist operations combined with the desire to avoid large-scale Maoist successes has forced the Royal Nepal Army and security personnel to spread themselves even thinner on the ground. While the flat land of the Terai allows for relatively high mobility, the nearby hills provide the Maoists with look-out posts from which to stage attacks on small security patrols or vehicular convoys.

[1](#)3. (C) Third, proximity to the Indian border allows the Maoists to smuggle black-market explosives and ammunition and shorten their supply lines. However, this proximity has also raised more concern on the part of the Government of India (GOI). The Maoists might find themselves facing a second enemy if the GOI begins to crack down on Maoists in northern India. Fourth, expansion of their operations into the Terai could be a focused effort by the Maoists to nationalize the conflict in preparation for renewed negotiations with the Government of Nepal (GON). The Maoists must have a national power base if they are to be credible in their claim to be a national movement. If the GON were to accede to the Maoist demand for constituent assembly elections -- which many analysts believe is merely a ploy aimed at abolishing the constitutional monarchy and bringing the Maoists to power -- the insurgents' stranglehold in many parts of the country might allow them to win votes through fear and intimidation at the ballot box. Likewise, Prime Minister Surya Bahadur Thapa's government has committed itself to holding phased national elections, possibly beginning in the Terai; such elections would pose a serious threat to the Maoists, who have alienated many Nepalis by their violence and depredations. With the stronger Maoist presence in the lowlands, the government's promise to hold elections may be difficult to keep.

INCREASED EXTORTION AND FORCED RECRUITMENT

14. (C) The Maoists' expansion into the Terai has enabled the movement to increase extortion activities in the wealthiest parts of the country. Extortion is widespread and reaches nearly every strata of society. Villagers are required to give food, shelter, and sometimes cash while business owners in urban centers are faced with letters demanding hefty "taxes." Extortion demands are often accompanied by personal threats. In October, for example, the Colgate-Palmolive plant in Hetauda was forced to close its doors after receiving a threatening letter demanding NRs 1.5 million (roughly USD 20,500) (ref B).

15. (C) Before the spread of the conflict, Maoist recruitment occurred primarily in Maoist home areas in north-central Nepal, such as Dolpa and Jumla districts. Now, however, the insurgency must recruit in areas outside its traditional areas of support. In September, for example, the media reported that Maoists had issued letters and verbal demands to households in rural areas in the eastern Terai requiring each household to provide either one son or daughter to serve in the Maoist armed forces. Moreover, the Maoist leadership has moved its armed cadre into the East and Terai where the insurgents do not have cultural and social linkages with the local population. Caste, language and cultural differences have increased tensions between the populace and the Maoists, contributing to the perception that the Maoists are invaders, not native sons. Likewise, the Maoists must extort and steal food from locals in order to sustain themselves. Forced recruitment and the criminalization of the insurgency have forced many young men and women to migrate to India and urban areas.

FOCUS ON SMALL, TARGETED ASSAULTS AND ASSASSINATIONS

16. (C) Since the collapse of the cease-fire in August, the Maoists have foregone their traditional, large-scale attacks on military and armed police encampments in favor of small, targeted assaults and assassinations. The Maoists have attempted to reach the political elite in Kathmandu by destroying ancestral homes and assets of political and business leaders. The insurgents have relied heavily on Improvised Explosion Devices (IEDs) planted along roads or footpaths to kill small mobile security patrols and have also focused heavily on the destruction of public infrastructure, such as radio towers, telephone exchanges, bridges and power plants. The Maoists' ability to operate in smaller cells makes it harder for the RNA to detect and counteract them.

17. (C) The only two major attacks the Maoists have launched since the cease-fire collapsed in August were on Armed Police Force (APF) camps in Dang and Banke districts on October 10 and 12 (reported Ref A) and were largely unsuccessful. The RNA and others believe the Maoists' change in tactics is a sign that the insurgents are incapable now of launching major attacks on security forces, with their improved defensive positions and better equipment and training. To prevent the Maoists from succeeding at large-scale attacks, however, the RNA and Nepal Police have been forced to withdraw their presence from most Village Development Committee (VDC) areas and outlying areas in favor of consolidated, fortified bases. In Makwanpur District south of Kathmandu, for example, only three police posts currently are staffed: one in the district headquarters and two in smaller urban centers. Their absence in the country side will make it more difficult for the GON to win the hearts and minds of the people.

18. (C) The Maoists themselves, in a statement by Pushpa Kumar Dahal (alias Prachanda) in late October, explained their operational strategy in three phases. First, the insurgents would carry out decentralized action through small ambushes and raids in the rural areas as well as urban centers. The goal of the first phase was to "shock and set into disarray the enemy" in the capital and rural areas. The second and third phases would involve a gradual centralization of their attacks through operations involving larger numbers of combatants. According to Prachanda, the first phase of the strategy has been "a complete success." The RNA and many other analysts insist that phase has been a failure.

19. (C) The concentration of GON security forces, plus their desire to expand the conflict and their sphere of influence, were likely important factors in the Maoist decision to modify their tactics. Recognizing the difficulty of launching large-scale attacks, the Maoists may have decided small-scale, hit-and-run attacks are the most efficient and cost-effective means to achieve the same objective -- destabilizing and undermining central authority.

RESTRICTIONS ON MOVEMENT

110. (C) The insurgents' control in the countryside enables

them to restrict the movement of locals and strangle commerce and trade. (A report on the economic costs of the conflict provided septel.) The Maoists are also able to limit the activities of political parties in nearly all of Nepal's 75 districts. By preventing party leaders from reaching their constituencies, the insurgents may seek to strengthen their own political presence while eroding popular support for the legitimate parties. Likewise, the Maoist stranglehold has effectively prevented the government from delivering services, thereby undermining the GON's legitimacy. However, the brutal, arbitrary nature of the vigilante justice meted out by "People's Courts" and local commanders likely outweigh whatever limited popular appeal they once had.

SCHISM BETWEEN THE RANK AND FILE?

11. (C) There are signs of a possible disconnect between the Maoist leadership, most of whom we believe now reside in India or abroad, and the Maoist cadre. NGO and INGO staff report that local cadres appear to have greater discretionary authority since the end of the cease-fire (Refs C and D). Moreover, the Maoist leadership has made policy pronouncements in some cases that appear to have been ignored by those in the field. In late October, for example, Maoist commander Prachanda stated that it was not Maoist policy to kill security personnel on leave or at home. Since then, however, many low-level policemen have been assassinated while drinking tea, leaving their homes, or engaging in some other innocuous activity. Also, Maoist cadre in rural areas have brutally murdered even the family members of security forces. Prachanda also indicated that the insurgents would not target public infrastructure in areas controlled by the Maoists. However, the destruction of power plants and vital bridges linking local villages with district centers have continued unabated. Whether the Maoist leadership is unable to control local-level commanders or has made a conscious decision not to follow through on public statements is unclear.

COMMENT

12. (C) From their two failed attacks on APF camps in October, the Maoists appear incapable of resuming a series of large-scale attacks to gain prestige and arms as they did in 2001-2002, although we do not preclude that they will try one of these attacks again. Realizing the impossibility of an outright military victory, the Maoist leadership may rely more and more on guerrilla warfare tactics, such as road mines, targeted assassinations and attacks on small security patrols. The insurgents are highly mobile, able to disappear into dense forests and jungle and to blend in with local populations. These tactics will allow the Maoists to maintain overwhelming influence over -- and deny control to the government of -- the majority of Nepal's rural areas, restricting the movement of locals and political party activists, and strangling trade and commerce. Their influence in these areas will have a significant effect on elections unless the GON is able to fill the current administrative and security void.

13. (C) As discussed Ref E, the Maoists, through their rhetoric, have attempted to isolate the U.S. diplomatically and discourage other donors from collaborating with us. The Maoists have been successful in generating a climate of fear among both average Nepali workers in rural areas and the political elite in Kathmandu. Ironically, many Nepalis feel less secure now than they did last year, when the intensity of the Maoists' "people's war" was more intense. Maoist extortion, accompanied by personal threats, as well as targeted assassinations seems to have had a deeper psychological impact than the random bombings and forced closures, or bandhs, of last year. Also, the withdrawal of security forces from most of the countryside has left Nepali villagers feeling more vulnerable. The challenge facing GON security forces is how to modify their tactics to counter the Maoist terror campaign. In the east, at least, aggressive counter-insurgency tactics have been achieving some success in blunting Maoist strength. End Comment.

MALINOWSKI